Charlie Peters

The Farce About Ethanol...

by State Senator Tom McClintock, Free Republic, June 28, 2007

In response to my blog, "Ethanol Economics," Former Secretary of State Bill Jones (now Chairman of Pacific Ethanol), made five key points in his piece, "The Facts About Ethanol." Just for fun, let's run "The Facts About Ethanol" through the old fact-checker:

"Today, ethanol is about 65 cents per gallon cheaper than gasoline in the California market." That's only after taxpayers and consumers have kicked in a subsidy of $1.50 per gallon - or $7 billion a year paid into the pockets of ethanol producers to hide the staggering price of ethanol production. And even with the subsidy, the California Energy Commission estimates that the new CARB edict will INCREASE the price per gallon by between 4.2 and 6.5 cents - on top of the tax subsidies. Ouch.

"Allowing a 10 percent blend of ethanol into gasoline provides a 4 percent supply increase to the marketplace at a price far below current gasoline prices." Not only is the price far ABOVE current gasoline prices (see above) but Bill ignores the fact that ethanol produces less energy than gasoline - meaning you'll have to buy more gallons for the same mileage.

"CARB's recent vote reduces our reliance on oil from overseas..." Let's walk through the numbers again. One acre of corn produces 350 gallons of ethanol; the CARB edict will require 1.5 billion gallons of ethanol, in turn requiring 4.3 million acres of corn for ethanol production. Yet California only has 11 million acres devoted to growing crops of any kind. And that, in turn, means an increasing reliance on foreign agricultural produce, shifting our energy dependence from King Abdullah to Hu Jintao.

"Further, it sends a signal to companies like ours to continue to invest in California production to help make this state energy independent." Yes, you can sell a lot more ethanol with a kind word and a gun than with a kind word alone. You got me there. But it also sends a signal to the market to raise prices on every product that relies upon corn for both food and grain feed - meaning skyrocketing prices for everything from corn meal to milk. Remember the tortilla riots in Mexico in January?

"Pacific Ethanol uses state-of-the-art production practices that reduce carbon dioxide emissions by up to 40 percent compared to conventional gasoline." Unless Pacific Ethanol has re-written the laws of chemistry, ethanol is produced by converting glucose into two parts ethanol and two parts carbon dioxide. The chemical equation is C6H12O6 = 2C2H5OH + 2CO2. (Memo to Bill: If you're not using this formula, you're not producing ethanol. And if you are, you're also producing lots of carbon dioxide. Better check.)

http://www.freerepublic.com/focus/f-news/1858095/posts

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Why Shell Oil Supports California's Climate Change (AB 32) Legislation

By Alison van Diggelen, KQED TV, March 22, 2012

Shell CEO is pro-AB 32, but stands by taking legal action against environmentalists in Alaska

Royal Dutch Shell CEO, Peter Voser affirmed his company's commitment to AB 32, California's climate change legislation, and also explained why a carbon trading system is crucial to the development of alternative energy sources.

"We are clearly in favor of cap and trade systems," he said to an audience of Silicon Valley business people and climate experts Wednesday in Burlingame. "We'd like to have it globally, to level the playing field."

This statement from Shell, the global oil and gas company headquartered in the Netherlands and one of the world's largest companies, is notable when you consider the strong opposition to AB 32 from the oil industry at large. In 2010, Proposition 23 attempted to derail the imposition of AB 32 provisions and was largely bankrolled by Tesoro and Valero, two Texas oil companies.

High producers of carbon dioxide, especially oil refineries, will be hard hit when AB 32 goes into force. So what's the rationale of Shell's apparent "green" attitude?
Voser explained that the company is not waiting for cap and trade to be commonplace. Several years ago, he said Shell started taking into account a charge for CO2 of $40 per ton to reflect the future price of CO2 in its internal accounting. What he didn't say is that in Europe, where Shell is headquartered, an emissions trading scheme is already in existence and the implementation of AB 32 would arguably make Shell more globally competitive.

"We are emitting quite a bit of CO2," Voser acknowledged in his clipped Swiss accent. And he highlighted the company's investment in carbon sequestration projects, one of which begins construction in Canada shortly.

The Gulf of Mexico accounts for approximately 55% of Shell's oil and gas production in the USA.

He also drew attention to the GameChanger program at Shell, which invites people to pitch innovative ideas for potential sponsorship from the company. But almost in the same breath, he accepted that the energy industry is resistant to change, citing the innovator's dilemma.

According to Voser, global energy demand will double between now and 2050, half of which will come from growth in China. So how can we grow without burning up the planet?

The Shell chief executive says alternative energy, energy efficiency and demand management are all parts of the solution, and he anticipates that Silicon Valley's greatest contribution will be on the demand side.

He pointed out that shortening the delivery time for innovative technologies is key. Historically, it takes 15- 30 years for new energy technologies to be scaled and delivered. This needs to be cut in half, according to Voser, and he says he views energy policy as an important component to spur innovation and adoption.

"If we really want to have the right technologies developed, not having a CO2 price will mean there is uncertainty and therefore you will not get certain energy efficiency or innovation projects that you need implemented," he added.

This green talk by Voser is all very well, but Shell's environmental record, particularly in Africa, is hardly emerald green. One example that's drawn recent criticism is the company's legal action against environmental groups that are seeking to block drilling in the Arctic Ocean off Alaska's North Slope.

Voser's explanation of the legal action on Wednesday was not convincing. He described the company's move as "a tactic to bring all parties to the table early," and begin an open dialogue. The environmental groups argue that the drilling project will adversely affect native communities and that the company's oil spill contingency plans are grossly inadequate. But Shell has spent over $4 billion on the project to date, and has vowed to spend even more, setting up a David and Goliath battle: deep-pocketed oil company versus feisty but meagerly funded nonprofits.

http://blogs.kqed.org/climatewatch/2012/03/22/why-does-shell-support-californias-climate-change-legislation/

Vote NO on CA SB 5 (Vidak) unless amended by a GMO fuel alcohol waiver

CAPP contact: Charlie Peters

BP follows Shell to back climate change resolution

By Gail Moss, IPE, International Publishers, 6 February 2015

The BP board of directors will be advising shareholders to support a resolution on climate change filed by more than 50 institutional investors at its annual general meeting (AGM) on 16 April.

The move comes only days after the board of Royal Dutch Shell said it was backing a similar resolution at its own AGM in May.

The special resolution – 'Strategic resilience for 2035 and beyond' – amplified by a supporting statement, calls for routine annual reporting from 2016 to include further information about certain activities related to climate change, including ongoing operational emissions management, asset portfolio resilience to the International Energy Agency's scenarios, and public policy positions relating to climate change.

It has been filed by Aiming for A, a coalition of more than 50 institutional investors with portfolios totalling £160bn (€214bn), led by CCLA Investment Management, the specialist church and charity fund manager.

Its name is taken from the highest performance rating (A) of CDP (formerly the Carbon Disclosure Project), an NGO that rates the performance of global companies on climate change.

BP and Shell have the biggest carbon footprints of all the companies listed on the London Stock Exchange.

Edward Mason, head of responsible investment for the Church Commissioners, who are members of the coalition, said: "The positive way in which BP and Shell have responded to our shareholder resolutions is completely unprecedented. This represents a step change in engagement between institutional shareholders and the oil and gas industry on the strategic challenge that climate change poses to the industry."

Mason added: "The next step is for investors to back the boards of both companies and to vote for the disclosures that we have requested and that the companies have said they will provide. We look forward to seeing the new in-depth reporting from both companies later this year and to continued engagement."

BP has not published a formal statement but said it had met the CCLA and other proposers of the resolution.

David Nicholas, spokesman at BP, told IPE: "The board has considered its response and told the proposers we will recommend the shareholders support it at the AGM.

"The proposal is non-confrontational and gives us the opportunity to demonstrate our current actions and build on our existing disclosures in this area."

Nicholas added that the decision had not been influenced by Shell's own decision to back a similar resolution.

Details of BP's response will be sent out to all shareholders with the notice of meeting in early March.

http://www.ipe.com/news/esg/bp-follows-shell-to-back-climate-change-resolution/10006577.fullarticle

Dr. Stan's California water supply opinion

http://mediaarchives.gsradio.net/radioliberty/121213d.mp3

CAPP contact: Charlie Peters

Cheap Gasoline

Climate One at the Commonwealth Club, February 27th, 2015

Gas prices are plunging, and Americans can get back on the road again. What are the economic, geopolitical and environmental consequences of cheap oil?

Jason Bordoff, Founding Director, Center on Global Energy Policy, Columbia University; Former Special Advisor to President Obama, National Security Council Staff
Kate Gordon, Senior VP and Director, Energy & Climate Program, Next Generation
Bill Reilly, Former Board Member, ConocoPhillips; Senior Advisor, TPG Capital

Transcript

(snip)

We're talking about cheap oil and gasoline at Climate One. Let's have our audience questions. Welcome.

Male Participant (Charlie Peters): I have a question that has been an awful fun part of this debate over time which is the issue of the use of corn to make products that were promoted to be a significant improvement in global warming, in carbon taxes. So my question is, there's an appearance that there's a divide there between possibly British Petroleum and Shell and DuPont wanting to go to butanol. And then the question becomes is it impacting our water supply being a carcinogen. Is that something that should be of concern? We never check our water supply anywhere ever

Greg Dalton: Thank you --

Male Participant (Charlie Peters): So a response to that would be great.

Greg Dalton: So who'd like to -- Bill Reilly, you were on the board of DuPont, but the question, I think, is that people advocated for corn as a climate solution, corn turned out to not be so good. Cellulosic ethanol has been disappointing. Your thoughts.

Bill Reilly: Well, if you make the ethanol out of switch grass or something of the sort, I think that you possibly do something very positive with respect to liquid fuels, and I would support that. I would not worry so much about contaminating the water supply with ethanol. I mean, we're talking about replacing some portion of the gasoline and we've been managing that with some success for, I think, some time. So I don't think that would be the major problem.

The major problem, I think, with the ethanol area is the enormous subsidies that have gone into it and for corn production and certainly my recollection from having administered the Clean Air Act is that the advantages of ethanol as an additive are for wintertime NOx [nitrogen oxides] control. So it's been touted as doing something far more significant than that and reducing our dependency on foreign imports and the rest. Those arguments, I think, have lost a great deal of their appeal.

Greg Dalton: Corn has been overhyped. ...

http://www.climate-one.org/audio/cheap-gasoline

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